

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2112
ANSWERED ON:15.03.2002
RISK BASED CAPITAL FOR INSURANCE COMPANIES
YEMPARALA VENKATESWARA RAO

Will the Minister of FINANCE be pleased to state:

- (a) whether Insurance Regulatory Development Authority (IRDA) propose to introduce risk based capital for insurance companies; and
- (b) if so, to what extent it will improve the performance?

Answer

MINISTER STATE IN THE MINISTRY OF FINANCE(SHRI BALA SAHEB VIKHE PATIL)

(a) & (b) Insurance Regulatory Development Authority has informed that they propose to introduce the concept of Risk Based Capital for insurance companies which will minimize the risks of insolvency by addressing asset risk, underwriting risk and business risk of insurance companies.